

Message Text

CONFIDENTIAL

PAGE 01 MONROV 07121 041424Z

44

ACTION AF-08

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00

DOT-00 EB-07 INR-07 NSAE-00 CIEP-01 FAA-00 AID-05

FRB-03 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02 LAB-04

SIL-01 OMB-01 SCS-03 SCA-01 MC-02 IGA-02 /073 W

----- 049717

R 041306Z OCT 76

FM AMEMBASSY MONROVIA

TO AMEMBASSY FREETOWN

INFO SECSTATE WASHDC 2174

AMEMBASSY BONN

AMEMBASSY CONAKRY

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION EC BRUSSELS

C O N F I D E N T I A L MONROVIA 7121

E.O. 11652: GDS

TAGS: EAIR, EFIN, LI, SL

SUBJECT: REPORTED GOSL PURCHASE OF VFW-614'S

REF: (A) FREETOWN 3035 (B) MONROVIA 7110

1. SUMMARY. VARIOUS SOURCES IN LIBERIA CONFIRM GOSL PURCHASE VFW-FOKKER AIRCRAFT REPORTED REF A. APPARENTLY AMCIT TEICHNER INVOLVED IN SALES EFFORTS. WHILE GOL CONSIDERING PURCHASE OF SAME AIRCRAFT, IT NOT PART OF GOSL DEAL. ACCORDING TO AIR LIBERIA IT EXPECTING "MASSIVE" LOSSES IN INITIAL YEARS OF OPERATIONS THIS AIRCRAFT, BUT NOTHING ON THE SCALE THAT GOSL CAN EXPECT. WILL REPORT ADDITIONAL INFORMATION IF DEVELOPED AND WOULD APPRECIATE RECEIVING INFO ON THIS DEAL WHICH WE EXPECT WILL AFFECT OUR SALES EFFORTS IN LIBERIA. END SUMMARY.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 MONROV 07121 041424Z

2. DUTCH EMBOFF TOLD AIRATT FRIDAY MORNING THAT HE

GENERALLY FAMILIAR WITH GOSL PURCHASE OF VFW-614S AND CONFIRMS THAT TEICHNER (WHO HE THINKS IS AMCIT) INVOLVED IN SALE. REPORTEDLY TEICHNER ASSOCIATED WITH SL NATIONAL NAMED CALEB AUBEE IN FREETOWN FIRM CALLED " WEST AFRICAN CONSULTANTS."

3. ASSISTANT MINISTER FOR TRANSPORTATION CAMPBELL ALSO CONFIRMED HIS KNOWLEDGE OF DEAL IN CONVERSATION WITH COMMATT FRIDAY MORNING. HIS UNDERSTANDING IS THAT GOSL PURCHASING ONE, AND FRG LOANING PURCHASE PRICE OF SECOND AIRCRAFT. CAMPBELL SAID ALTHOUGH GOL COMMITTEE ON SELECTING AIRCRAFT FOR AIR LIBERIA LOOKING AT SAME AIRCRAFT, GOSL DEAL CONSUMMATED ENTIRELY WITHOUT CONSULTATION WITH GOL. CAMPBELL ADDED THAT GOL HAD FOR SOME TIME ATTEMPTED TO WORK OUT AGREEMENT WITH GOSL WHEREBY BOTH COUNTRIES WOULD CONSULT ON EQUIPMENT PURCHASES, WITH VIEW OF POOLING SPARES AND MAINTENANCE EFFORTS, ACQUIRE SIMILAR AIRCRAFT AND COORDINATE TICKETING AND SCHEDULING OF AIR SERVICES. HE SAID GOSL HAD REBUFFED GOL PROPOSALS. HE WENT SO FAR AS TO SAY THAT AIR LIBERIA DISCONTINUED FREETOWN SERVICE AND SOLD F-27S PARTLY BECAUSE OF LACK OF COOPERATION ON TICKETING IN FREETOWN.

4. AIR LIBERIA PRESIDENT CROSBIE (HEAD BRITISH/CALEDONIA MANAGEMENT TEAM) TOLD COMMATT THAT HE FAMILIAR WITH "INTIMATE DETAILS" OF GOSL PURCHASE. HIS UNDERSTANDING WAS THAT ONE AIRCRAFT STRAIGHT PURCHASE (A BIT ABOVE PRICE OFFERED TO AIR LIBERIA OF DOLS 6.3 MILLION WITH SPARES) AND ONE FINANCED BY LOAN FROM "EUROPEAN GOVERNMENT." HE SAID NOT ONLY IS AIR LIBERIA DEFINITELY NOT A PARTY TO SL DEAL, BUT THAT B/CAL (WHICH HE SAYS HOLDS EQUITY POSITION IN SIERRA LEONE AIRLINE IN ADDITION TO MANAGEMENT CONTRACT) WAS NOT CONSULTED IN PURCHASE AND DEAD SET AGAINST IT. (HE SAID B/CAL HAVING OWN SHORTAGES OF MAINTENANCE PERSONNEL AS IT IS JUST TAKING DELIVERY OF DC-10S.)

5. CROSBIE REVIEWED LATEST GOL/AIR LIBERIA AIRCRAFT ACQUISITION PLANS WHICH HE USED TO COMMENT ON GOSL DEAL. HE SAID HE SUBMITTED REPORT OF HIS STUDY TO AIR LIBERIA BOARD OF DIRECTORS LAST TUESDAY CONTAINING FOLLOWING POINTS: (A) AIR LIBERIA OPERATING JETS WOULD INCUR "MASSIVE" LOSSES FOR FIRST THREE TO FIVE YEARS, (B) ONLY IF GOL WILLING TO COVER THESE LOSSES COULD AIR LIBERIA ACQUIRE JETS, (C) OF THREE AIRCRAFT CONSIDERED IN THE CONFIDENTIAL

CONFIDENTIAL

PAGE 03 MONROV 07121 041424Z

STUDY (F-28, VFW-614 AND YAK-40), 614 CONSIDERED BEST AIRCRAFT FOR AIR LIBERIA'S PURPOSES BUT YAK-40 CERTAINLY BEST PRICE (DOLS 2.2 MILLION WITH SPARES.) HE SAID BOARD GENERALLY APPROVED THREE POINTS AND HE LEAVING FOR LONDON OCTOBER 4 TO INITIATE DETAILED STUDY ON 614.

6 IN CROSBIE'S OPINION, IF AIR LIBERIA CAN EXPECT "MASSIVE" LOSSES TO BEGIN WITH, LOSSES FOR SIERRA LEONE WOULD BE

"ABSOLUTELY MASSIVE" AND "STAGGERING." HE CITES AS DIFFERENCES BETWEEN SL AND LIBERIA FACT THAT LIBERIA HAS DOMESTIC AIR SERVICES MARKET WHILE SL HAS NONE. HE SAYS LIBERIA'S DOMESTIC AIRPORT SYSTEM BETTER, AND AIR LIBERIA HAS TWELVE PILOTS (ONE EXPATRIATE) TO SL'S THREE. HE FEELS COST OF FOREIGN PILOTS GOSL WILL HAVE TO IMPORT WILL DRIVE THE NAIL IN THE COFFIN RE COSTS.

7. CROSBIE BELIEVES THAT FOKKER PEOPLE HAVE NOW REALIZED THAT THEY HAVE "PUT CART BEFORE THE HORSE" IN MAKING GOSL DEAL BEFORE THEY HAVE SOLD TO AIR LIBERIA. HE FEELS THAT FOKKER WILLING MAKE BETTER DEAL TO AIR LIBERIA TO TURN THE SITUATION AROUND AND GET MORE AIRCRAFT IN THE AREA, MAKE IT MORE ATTRACTIVE FOR THE TWO COUNTRIES TO COOPERATE IN SPARES, MAINTENANCE, ETC., AND SAVE THE GOSL DEAL FROM BEING A "COMPLETE BLOODY DISASTER." HE AWARE THAT FOKKER HAS AGENT OPERATING IN AND OUT OF LIBERIA BUT WAS UNABLE TO CONFIRM IF IT TEICHNER.

8. THIS ESSENTIALLY LATEST PICTURE AS WE SEE IT. IF OTHER ADDRESSEES HAVE ANY ADDITIONAL INFORMATION, WE WOULD APPRECIATE RECEIVING IT AS IT MIGHT IMPACT ON OUR CURRENT AIRCRAFT SALES EFFORTS. FYI: GOL STILL CONSIDERING PURCHASE LARGER JET FOR PRESIDENTIAL/COMMERCIAL USE. (OBVIOUSLY ALL ABOVE SOURCES SHOULD BE PROTECTED).

HORAN

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MILITARY AIRCRAFT, GOVERNMENT PROCUREMENT
Control Number: n/a
Copy: SINGLE
Draft Date: 04 OCT 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976MONROV07121
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760373-1294
From: MONROVIA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19761086/aaaacwjl.tel
Line Count: 139
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION AF
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 76 FREETOWN 3035, 76 MONROVIA 7110
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 06 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <06 APR 2004 by CollinP0>; APPROVED <06 APR 2004 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: REPORTED GOSL PURCHASE OF VFW-614'S
TAGS: EAIR, EFIN, LI, SL
To: FREETOWN
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006